

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

BRIAN D'AMATO and PAUL D'AMATO,  
as partners of SIBRO I, SISBRO  
II, and SISBRO III,

Plaintiffs,

v.

REGINA LILLIE and GERALD LILLIE,  
as partners of SISBRO I, SISBRO  
II, and SISBRO III,

Defendants.

NO. CV-06-0314-EFS

**PRELIMINARY INJUNCTION ORDER**

Telephonic hearings were held in the above-captioned matter on November 14, 2006. Before the Court was Plaintiffs Brian D'Amato and Paul D'Amato's Motion for Temporary Restraining Order, Expedited Discovery, and Order to Show Cause (Ct. Rec. 2). At the 8:30 a.m. hearing, counsel for Plaintiffs, Todd Reuter appeared. The Court continued the hearing to 1:00 p.m. and required Mr. Reuter to attempt to recontact the Defendants and advise them that he was an attorney representing the Plaintiffs in this matter and that a hearing would be held at 1:00 p.m. during which the Court would determine whether it was appropriate to enter a temporary restraining order.

At the 1:00 p.m. hearing, Plaintiffs were again represented by Todd Reuter, while Greg Hesler appeared on behalf of Defendants. Counsel advised the Court that the parties were close to entering into a

1 stipulation. Accordingly, the Court continued the hearing to November  
2 15, 2006, in the event the parties were unable to reach an agreement.  
3 Prior to the November 15, 2006, hearing, the parties stipulated to the  
4 entry of a preliminary injunction containing the terms in Attachment A.  
5 Based on the terms of that stipulation and the Court's review of the  
6 material previously submitted, the Court enters the following  
7 preliminary injunction.

8 The Complaint alleges the injury complained is the loss and  
9 potential loss of documentary evidence of financial mismanagement of the  
10 SISBRO partnerships and the possible sale of partnership assets. The  
11 Court finds Plaintiffs have established that the loss of its proprietary  
12 information is irreparable in that the documentary information is the  
13 only source by which to discover improper overpayments to Defendants.  
14 Further, if partnership assets are sold without appropriate deliberation  
15 and notice to the other partners, then a suitable and fair price may not  
16 be realized, and the buyer may unwittingly become ensnared in a lawsuit  
17 between the partners. The Court also finds entry of this Order without  
18 full notice is appropriate given the stipulation of the parties.

19 **Based upon the foregoing considerations, IT IS HEREBY ORDERED:**

20 (1) Plaintiffs' Motion for TRO, Expedited Discovery, and Order to  
21 Show Cause (**Ct. Rec. 2**) is **GRANTED**, and the parties' stipulation to  
22 entry of a Preliminary Injunction is **GRANTED**. The November 15, 2006,  
23 telephonic hearing is **STRICKEN**. Accordingly, the following **preliminary**  
24 **injunction** is entered.

25 (2) Defendants are hereby:

26 a. Restrained and enjoined from destroying, deleting, or  
27 altering any ledgers, financial statements, books of account,

1 computerized data compilations, tax returns, or other records  
2 of SISBRO I, SISBRO II, and SISBRO III;

3 b. Restrained and enjoined from destroying, deleting, or  
4 altering any credit card records pertaining to accounts held  
5 in the name of SISBRO I, SISBRO II, and SISBRO III, or  
6 SuperCuts or Cost-Cutters;

7 c. Restrained and enjoined from selling, transferring, or  
8 encumbering any interest in the SISBRO partnerships without  
9 prior written notice to Plaintiffs;

10 d. Ordered to make the following documents available for  
11 inspection and copying by the Plaintiffs or their agents at  
12 the office of Plaintiffs' counsel on a mutually agreeable date  
13 and time no later than November 29, 2006:

14 i. All ledgers, financial statements, books of account,  
15 computerized data compilations, tax returns, or other  
16 records of SISBRO I, SISBRO II, and SISBRO III;

17 **IT IS FURTHER ORDERED** that no security need be posted,  
18 pursuant to stipulation on the record by the attorneys for the  
19 parties. This Order shall remain in effect until the conclusion of  
20 the trial of this matter or further order of this Court.

21 (3) This Order shall, pursuant to Federal Rule of Civil Procedure  
22 65(d), be binding on Defendants, their officers, agents, servants,  
23 employees, and attorneys, and upon those acting in active concert or  
24 participation with those who receive actual notice of this Order by  
25 personal service or otherwise.

26 ///

27 ///

28 ORDER -- 3

1 (4) The Clerk shall enter this Order and forward copies of this  
2 Order to counsel and Defendants.

3 **DATED** this 15th day of November 2006.

4  
5 S/ Edward F. Shea  
6 EDWARD F. SHEA  
7 UNITED STATES DISTRICT JUDGE  
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**Attachment A**

HON. EDWARD F. SHEA

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Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

BRIAN D'AMATO, and PAUL  
D'AMATO, as partners of SISBRO I,  
SISBRO II, and SISBRO III,

*Plaintiffs,*

v.

REGINA LILLIE, and GERALD  
LILLIE, as partners of SISBRO I,  
SISBRO II, and SISBRO III,

*Defendants.*

No. CV-06-00314-EFS

PRELIMINARY INJUNCTION  
ORDER

This matter came before the court for hearing on the plaintiffs' Brian D'Amato and Paul D'Amato's Motion for Temporary Restraining Order, Expedited Discovery, and Order to Show Cause. Plaintiffs are represented by Todd Reuter of Preston Gates & Ellis LLP. Greg Hesler of Paine, Hamblen, Coffin, Brooke & Miller appeared for the defendants. The parties have stipulated to the entry of this order as a preliminary injunction pending trial.

PRELIMINARY INJUNCTION  
ORDER - 1

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1 The court reviewed the information contained in the court file, including the  
2 following documents:

- 3 1. The November 9, 2006 complaint;  
4 2. The motion for TRO, expedited discovery and order to show cause;  
5 3. The memorandum filed in support of plaintiffs' motion; and  
6 4. The Affidavit of Paul D'Amato with attachments, filed herewith.  
7

8 **The Injury**

9 The Complaint establishes that the injury complained of here is the loss and  
10 potential loss of documentary evidence of financial mismanagement of the SISBRO  
11 partnerships and the possible sale of partnership assets.  
12

13 **Why The Injury Is Irreparable**

14 Plaintiffs have established that the loss of its proprietary information is  
15 irreparable in that the documentary information is the only source by which to  
16 discover improper overpayments to the defendants. Further, if partnership assets were  
17 sold without appropriate deliberation and notice to the other partners, then a suitable  
18 and fair price may not be realized, and the buyer may unwittingly become ensnared in  
19 a lawsuit between the partners. Unless restrained by order of this Court, Defendants  
20 may be poised to continue their payment practices and/or sell partnership property for  
21 an improper reason and/or in an improper manner.  
22

23 **Why This Order Is Granted Without Full Notice**

24 This Order is granted without full notice based on the stipulation of the parties.  
25  
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PRELIMINARY INJUNCTION  
ORDER - 2

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1  
2  
3 **Based upon the foregoing considerations, IT IS HEREBY ORDERED:**

4 (1) The Motion is granted;

5 (2) Defendants are hereby:

6 a. Restrained and enjoined from destroying, deleting or altering any  
7 ledgers, financial statements, books of account, computerized data  
8 compilations, tax returns, or other records of SISBRO I, SISBRO II, and  
9 SISBRO III;

10  
11 b. Restrained and enjoined from destroying, deleting or altering any  
12 credit card records pertaining to accounts held in the name of SISBRO I,  
13 SISBRO II, and SISBRO III, or SuperCuts or Cost-Cutters;

14  
15 c. Restrained and enjoined from selling, transferring, or encumbering  
16 any interest in the SISBRO partnerships without prior written notice to  
17 plaintiffs.

18  
19 d. Ordered to make the following documents available for inspection and  
20 copying by the plaintiffs or their agents at the office of plaintiffs' counsel on a  
21 mutually agreeable date and time no later than November 29, 2006:

22 i. All existing ledgers, financial statements, books of account,  
23 computerized data compilations, tax returns, or other records  
24 of SISBRO I, SISBRO II, and SISBRO III;

25 **IT IS FURTHER ORDERED** that no security need be posted, pursuant to  
26

PRELIMINARY INJUNCTION  
ORDER - 3

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(3) This order shall, pursuant to Fed. R. Civ. P. 65(d), be binding on the defendants, their officers, agents, servants, employees and attorneys, and upon those acting in active concert or participation with those who receive actual notice of this order by personal service or otherwise.

" (4) The Clerk shall forward copies of this order to counsel.

8 DATED this \_\_\_\_ day of November, 2006.

United States District Judge

**Presented by:**

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**Presented by:**

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Approved:

Regina Lillic

  
Gerald Lurie

PRELIMINARY INJUNCTION  
ORDER - 4

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